

then applied for additional aid, and by the 5th chapter of the statutes of that session, provision was made for the State's endorsing the bonds of the company to the amount of \$300,000, upon the several conditions therein expressed. Among others, the company was required "not to sell the bonds for less than their par value;" and to apply the proceeds thereof "exclusively in the first instance to the completion of the navigation." Both of these conditions have been disregarded. Of the bonds thus endorsed by the State, \$200,000 in value were sold on six months time, the company paying interest, but receiving none, which is equivalent to a loss of 3 per cent., amounting to \$6,000. The remaining bonds of \$100,000 were sold for \$80,000 in cash, and a steamboat, "Southerner," and five lighters. From the evidence before them, your committee have unanimously come to the conclusion, that repaired, as per contract, these boats will not be worth more than \$10,000; and it being admitted by the officers of the company that the steamer, constituting about three-fourths in value of the whole, is too large to pass the company locks, and that the same were purchased without examination, the committee can view the matter in no other light than a mere evasion of that clause of the statute forbidding the sale of these bonds under par.

The non-observance of the other provision of the act is equally as palpable. Instead of applying the money realized from the sale of these bonds "to the completion of the said navigation," \$26,675 thereof was appropriated to the payment of interest accruing on them, and another debt of the company, and to the payment of dividends on preferred stock.

The representatives of the State in the general meeting of the stockholders, as well as in the board of directors, were cognizant of the action of the company in the several particulars complained of, and in each case a majority of them assented thereto.

Arguments and explanations have been heard by your committee from the president, attorney and other officers of the company, in which the necessities and honest purposes of the company were pressed upon their consideration. But, con-